
WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP 9.17.2010

Americans Cannot Afford The Democrats' TARP 3.0

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The TARP 3.0 program would further cement the government as a lender in the financial markets.

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Rather than try something new, the Democrats are repeating the same mistakes of the past by proposing a third TARP in which the Federal government will invest \$30 billion in financial institutions in hopes of jump-starting lending. The American people have rejected this approach before.

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The new TARP program authorizes \$30 billion in "investments" while imposing no requirement that banks lend money to small businesses. How will this new TARP program be any more effective than TARP 1.0 or the Democrat stimulus plan?

Democrats' Failed Economic Policies Have Cost Taxpayers Trillions Of Dollars, Shown Government Cannot Spur Economic Growth Or Loans.

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Democrats continue to believe that they can spend, borrow, and tax their way to economic prosperity.

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However, when the Democrats rushed through a \$862 billion so-called "stimulus" bill they promised that the bill would create jobs "immediately" and unemployment would not rise above 8 percent. The end result of the Democrats' stimulus bills been record high unemployment and wasteful government spending.

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In its most recent quarterly report to Congress, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) said that the government's support for the financial system has now reached \$3.7 trillion.

ON THE HORIZON

Wednesday, September 23: The Full Committee will convene for a hearing on FHA at 10 am in room 2128 Rayburn. At 2 pm, the Full Committee will meet for a hearing on the state of the international financial system in room 2128 Rayburn.

Thursday, September 23, 2010: The Capital Markets Subcommittee will convene for a hearing on the Securities Investor Protection Act at 10 am in room 2128 Rayburn. Also at 10 am, the Financial Institutions Subcommittee will meet for a Legislative Hearing on HR 3149, Equal Employment for All Act in 2220 Rayburn. At 2:30 pm, the Full Committee will convene for a hearing on livable communities in room 2128 Rayburn.

Friday, September, 24: The Full Committee will meet for a hearing on executive compensation at 10 am in room 2128 Rayburn.

WEEKEND MUST-READS

Wall Street Journal: "Where Are the AIG Dividends? ... If there is one bailout where the U.S. Treasury should be uncompromising in protecting taxpayer interests, it is the rescue of American International Group."

Wall Street Journal: "Basel's Capital Illusions ... As an achievement in global harmony, the just-announced Basel III agreement rates high marks. Federal Reserve Chairman Ben Bernanke and fellow regulators from the 27 nations that account for most of the world's financing were able to create a common set of banking rules."

Washington Post: "Bank regulators once bamboozled, now emboldened ... The encouraging news out of Basel, Switzerland, is that the world's bank regulators are finally getting their spines back."

Washington Post: "Small business aid bill clears key Senate hurdle ... Senate Democrats snagged two GOP votes Tuesday to end debate on a bill aimed at jumpstarting the struggling economy and creating jobs by giving small businesses easier access to credit."

Wall Street Journal: "Regulators to Target 'Window Dressing' ... Federal regulators are poised to propose new disclosure rules targeting "window dressing," a practice undertaken by some large banks to temporarily lower their debt levels before reporting finances to the public."

LA Times: "Losses from Fannie Mae, Freddie Mac seizures may near \$400 billion ... Taxpayer losses from the government seizure of failed housing finance giants Fannie Mae and Freddie Mac could reach nearly \$400 billion, but likely won't top that level as some had feared, the firms' federal regulator said Wednesday."

Washington Post: "The understaffed Fed: What it really means ... Since Don Kohn retired from the Federal Reserve Board of Governors on Sept. 1, the central bank has been severely understaffed in its executive ranks. (Only four of seven governor slots are currently filled; there are two long-vacant slots besides Kohn's newly vacated seat)."

CARTOON OF THE WEEK

(Washington Post)